

On roll No. 319, On Agreeing to the Resolution providing for consideration of the bill (H.R. 5672), making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2007, and for other purposes; I would have voted "nay."

On roll No. 320, To Suspend the Rules and Agree to the Conference Report for the Coast Guard and Maritime Transportation Act; I would have voted "yea."

On roll No. 321, On Motion to Suspend the Rules and Pass, as Amended for the Veterans' Compensation Cost-of-Living Adjustment Act; I would have voted "yea."

PERSONAL EXPLANATION

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this Chamber today. I would like the Record to show that, had I been present, I would have voted "no" on rollcall vote 319 and "yea" on rollcall votes 320 and 321.

FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2006

The SPEAKER pro tempore. Pursuant to House Resolution 891 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4973.

□ 1340

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4973) to restore the financial solvency of the national flood insurance program, and for other purposes, with Mr. MILLER of Florida in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

I rise today in support of H.R. 4973, the Flood Insurance Reform and Modernization Act of 2006, or the FIRM Act. This legislation will significantly reform the National Flood Insurance Program and ensure its continued viability. After all the rain we have seen in our Nation's capital these past few days, now is an especially good time to take a close look at this program that millions of Americans count on to protect the investment they have made in their homes from flood damages.

The Financial Services Committee has a history of reforming the NFIP and with conducting oversight over the program. Spearheaded by the efforts of our former colleague, Representative Doug Bereuter of Nebraska, this committee took significant steps toward reform with passage of the Bunning-Bereuter-Blumenauer Act in 2004. That bill helped ensure that those people whose homes flooded on a frequent basis will not continue to soak the American taxpayers by filing flood loss claims time and time again.

Under the leadership of my friend BOB NEY, chairman of the Subcommittee on Housing and Community Opportunity, the committee continued to oversee the NFIP last year with a field hearing in his district and with hearings on the status of flood map modernization and the program in general. These hearings exposed a number of deficiencies in the NFIP, including the fact that FEMA was not moving quickly enough to reform the program and that the Nation's flood maps are often outdated and inaccurate.

Then came Hurricanes Katrina, Wilma and Rita. These storms placed an unprecedented strain on the NFIP that continues to this day. We had to raise the borrowing authority of the flood program first to \$3.5 billion, then to \$18.5 billion, then to \$20.8 billion. FEMA tells us that it is still not enough to cover all the claims from last year. When all is said and done, the NFIP will need \$25 billion to pay all of those claims, and that does not take into account any storms we have before hurricane season ends this year.

We have an obligation to these estimated 225,000 policyholders who have already filed a claim resulting from the events of 2005. These homeowners who have a binding contract with the NFIP to cover flood events could initiate legal action against FEMA and the U.S. Government if the flood insurance program does not make good on this contract.

At the same time, we also have an obligation to reform and modernize the NFIP so that homeowners will continue to have access to flood insurance. According to recent estimates, more than half the U.S. population lives within 50 miles of the sea. While senseless coastal development should not be subsidized or encouraged, these homeowners who play by the rules and live in homes that take proper flood mitigation steps should also not be penalized.

The FIRM Act is a bipartisan bill. Chairman BAKER and I have worked closely with Ranking Member FRANK to put together numerous reforms that will serve to increase FEMA's accountability and address the weaknesses exposed by last year's flooding.

In an effort to make the NFIP more actuarially sound, the FIRM Act phases out the subsidized rates currently enjoyed by the owners of hundreds of thousands of vacation homes and second homes. If you can afford one of those homes, you can afford to pay your freight. In addition, the bill introduces new lines of coverage at actuarial prices and increases the program's coverage limits to reflect inflation. These are common-sense reforms that, again, will be actuarially priced.

The FIRM Act requires FEMA to administer the program more respon-

sibly. Flood maps will be improved and updated, and FEMA will have to certify to Congress that they have done so. The NFIP's borrowing authority will be temporarily increased to ensure that all outstanding claims will be paid.

The FIRM Act increases the amount that FEMA can raise policy rates in any given year from 10 percent to 15 percent; and for those lending institutions that drop the ball on enforcing mandatory flood insurance purchase requirements, fines will be tripled from where they are now.

I remain committed to the reform of the National Flood Insurance Program that we in the Financial Services Committee started with passage of the Bunning-Bereuter-Blumenauer Act in 2004. H.R. 4973 is the logical next step on the road to fiscal soundness for NFIP.

I commend Mr. BAKER for his work and strongly urge a vote for final passage.

Mr. Chairman, I retain the balance of my time.

□ 1345

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

I fully agree with the statement of the chairman, and I am very proud to say that this is part of an ongoing, bipartisan effort that this committee has undertaken.

A few years ago, we found a flood insurance program which was both important but flawed in a number of ways, and we began, at the urging of our former colleague from Nebraska, Mr. Bereuter, and our continuing colleague from Oregon (Mr. BLUMENAUER), to make improvements. We have not been able to get everything we wanted, but we have improved it.

This bill takes substantial steps forward, and I think it is important for Members to know this is a bill which makes improvements at the same time from both the environmental and the fiscal standpoints. We make it a better program, we make it a more responsible program fiscally, and we make it a more responsible program environmentally.

There will be various amendments, many of which I think are very important, including, and I want to particularly call attention to the amendment offered by our colleague from Mississippi (Mr. TAYLOR), who as much as anybody in this House encountered personally the problems of the flood insurance program, and he has a very important amendment that would go to the aid of individuals who have not been fairly treated, and I strongly will be supporting that amendment. We won't have a lot of time to debate it, and I wanted to say that now.

I also want to make one general point that should not go unnoticed. We are dealing here with a public program. This is a case of the Federal Government stepping in to meet a very important social need that cannot be met by